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June 29, 1993

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JUN 2 9 1993

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

BY HAND

Donna R. Searcy Secretary Room 222 Federal Communications Commission Washington, D.C. 20554

Re: Ex Parte Presentation in MM Docket No. 92-266

Dear Ms. Searcy:

In accordance with the Commission's <u>ex parte</u> rule, 47 C.F.R. §1.1206, an original and one copy of this letter are being filed in Docket No. 92-266 as notification that David Olson, President of NATOA, William Squadron, Vice President of NATOA, Anna Ferrera, Legislative Counsel for the National League of Cities, Robert Fogel, Director of Transportation for the National Association of Counties, Stephanie Phillipps of Arnold and Porter, and I met yesterday with William H. Johnson, Deputy Chief of the Mass Media Bureau. Mr. Johnson was present at the meeting we had scheduled with Byron Marchant, Sandy Wilson, and Jonathan Cohen. We file an ex parte notice of that meeting yesterday.

We discussed the positions of the Local Governments in Docket No. 92-266. The discussion relied in part upon the information and arguments made in the Comments, Reply Comments, Further Comments and the Petition for Reconsideration and Clarification filed by NATOA, et. al. in the proceeding. In addition, we discussed with Mr. Johnson, Ms. Wilson, Mr. Cohen and Mr. Marchant, why costs for the upgrades of cable systems should not be treated as "external costs" which may be directly passed on to subscribers under the Commission's rate rules. Moreover, we reiterated our support for the Commission's decision to apply the same "benchmark" formula to basic and cable programming service tiers for purposes of rate regulation. We relied on arguments in the Petition for Reconsideration

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and the Comments NATOA, et. al. filed in this proceeding regarding these issues.

Please contact me if you have any questions regarding this matter.

Respectfully submitted,

William E. Cook, Jr.

with Elach of,

cc: Byron Marchant
William Johnson
Sandy Wilson
Jonathan Cohen